THE JOURNAL OF EDUCATIONAL SOCIOLOGY

A Magazine of Theory and Practice

Vol. 31 **April 1958** **No. 8**

EDITORIAL

Alonzo F. Myers

The papers which are the contents of this issue of the *Journal of Educational Sociology* were the lectures delivered in the series of five lecture-forums on preparation for retirement for the staff of New York University, under the auspices of the All-University Committee on Problems of Aging. Each member of the full-time professional staff of the University will receive a copy of this number of the Journal.

There is a rapidly growing awareness of the importance of retirement planning for the individual. Many corporations now provide retirement counseling and information service on retirement problems for their employees. Labor unions are evincing great interest in retirement planning for their members. In some instances, as in the case of the International Upholsterers' Union in their development of Salhaven in Florida, they are providing for their retired members attractive housing, health and medical services, and fine recreational facilities, at amazingly low cost to the participants. Several states and municipalities now provide retirement counseling for civil service employees.

Colleges and universities have tended to lag behind these other agencies in our society in indicating an awareness of the importance of retirement planning and counseling. Universities also have been slow to develop services in this field which they are uniquely qualified to render. New York University during the past five years has been engaged in rendering such services, including training personnel people in industry and government for their responsibilities in retirement counseling, conducting retirement planning seminars, and conducting lecture-forums on preparation for retirement for the general public and for corporations.

It is hoped that the papers contained in this issue of the *Journal of Educational Sociology* may be of interest and value, not only to the staff of New York University, but to others, including faculty members of colleges and universities, who may be interested in planning for retirement.

A STUDY OF FACULTY AND ADMINISTRATIVE STAFF WHO HAVE RETIRED FROM NEW YORK UNIVERSITY 1945-1956

Margaret Benz

"What I like best (about retirement) is the fact that I am able to continue my scientific research and with good remuneration." That seems to be the dominant note of the majority of our faculty, who have been retired from New York University in the past ten years. More than half of them are still gainfully employed, full or part-time; and they do not think of themselves as retired from anything, but teaching at NYU. They were quite definite in their feeling that a pension plan should be flexible, permitting retirement at varying ages and that retirement should not be compulsory at any specified age.

The typical, retired professor is married, living with his wife in his own home, from which he has not moved since being retired from the University. His income is derived from his University annuity, from dividends or interest, from Social Security and from full or part-time employment. He feels economically secure. He usually has financial responsibility only for himself and his wife, with no dependents at this stage of his career. He does not feel that he would live longer if he had more money. The proportion of his income needed for medical expenses (in the last twelve months) was less than ten per cent of his income, or negligible.

Compared with other persons of his age in his community, he believes his situation to be better than average. He is almost unanimous in feeling that he is leading a useful life, and he spells this out as "service to others," writing, lecturing and counseling. Compared to when he was teaching full time, he is as happy or happier.

However, he approached his own retirement with misgivings. His wife shared his mixed feelings, but was more inclined to be happy about it. In preparation for his own retirement, he usually checked to discover what his annuity would be. He might possibly make some slight shift in living accommodations, or discuss retirement with other professors—but probably he wouldn't. However, in advising his younger colleagues concerning retirement, he suggests that they determine as accurately as they can what their future income will be, plan for utilization of their time after retirement, discuss the future with their families, and plan for their future living accommodations. They might develop some future hobbies, consult their physician, and ascertain living costs in different areas of the country, but the retired professor is rather half-hearted about all of these suggestions. His general feeling seemed to be "to continue actively," and he would have preferred doing this at NYU.

As a part of our review of the retirement policies of New York University, and possibly to make proposals for their improvement, a study was conducted (in the Summer of 1957) to disclose the nature and quality of the retirements experienced by NYU staff members, who had been retired in the past ten years.

Questionnaires were sent to each of the 107 retired members of the faculty and administrative staff, obtained from the Vice-President's office. Of this group, there were

82	Full Professors	77%
9	Associate Professors	8½
9	Administrators	8½
5	Assistant Professors	4
2	Instructors	2
107		100%

At the time of their retirement, 81 (76%) were retired with "Emeritus" designation. The length of service at NYU ranged from 2½ years (for two Professors of Medicine) to 44 years, with the average length of service being 27½ years.

Thirty-two (30%) of these persons live in New York City and thirty-three (30%) live in near-by suburban areas, making a total of sixty-five (60%) who live within commuting distance of the University. Of the forty-two (40%) living outside the Metropolitan New York area, nine (8%) live in Florida, six (5½%) in up-State New York and four (2%) live in North Carolina. The twenty-three others (24½%) are living in fourteen other states, scattered from Maine to California and in four foreign countries.

During the period covered by this study, the faculty have been required to retire at age 65. The amount of the pension they receive depends upon the length of time they have participated in the University plan (TIAA) and the salary they received. The present range in pension payments from TIAA is from $500.00 to $5.000.00 a year. In the year 1951, the University went into the Social Security program of the Federal government.

The following tabulations were made from questionnaire replies received from 76 persons (71%) of the original group of 107. Of the remaining 31 persons (29%) to whom questionnaires were sent, 5 did not reply for the following reasons:

Deceased	1
Traveling extensively abroad (in the Orient)	1

Living abroad (on the Riviera)	1
Administrative women who felt this inquiry was not applicable in their case	2

In respect to the balance (26) who did not reply, we know of no reason to believe that the conclusions drawn from this study would have been materially changed by these potentially additional replies.

The questionnaires were numbered serially, but not signed, in order to reduce any element of self-consciousness. In soliciting the cooperation of these retired faculty members, they were urged to share their experiences in retirement with their colleagues, so that the best possible plans might be developed by the University. The replies were then tabulated, and finally converted into percentages for convenience in summarizing and making comparisons. The tabulations shown below are numbered for purposes of reference.

All of these retired faculty members were between 66 and 77 years of age. Twenty-three (30%) were retired from 1945 to 1951, and 53 (70%) were retired between 1952 and 1956 inclusive. Sixty-nine (90%) of the group are men and seven (10%) are women. Their marital status is as follows:

1. *Marital Status*	*Men*	*Women*	*Total*
Married, living with spouse	64	3	67
Single	2	3	5
Divorced	1	0	1
Widowed	2	1	3
			76

That professors retire with some reluctance, is indicated by their answers to:

2. How did you approach retirement?

With happiness	23%
With mixed feelings	50
With indifference	9
With misgivings	5
Other	11
No answer	2

His spouse shared his mixed feelings, but is more inclined to be happy about it (at least, so he reported):

3. How did your wife or husband feel about your retirement?

Happy about it	36%
Had mixed feelings	34
Was indifferent	3
Had misgivings	14
Other	9
No report	4

Their failure in large numbers to plan carefully for retirement is shown by the answer to:

4. One year or more before retirement, had you taken any of the following steps:

Checked to discover what your annuity would be	74%
Arranged for future living accommodations	36
Discussed retirement with close relatives and children	24
Attended a University Planning-for-Retirement class	one person
Discussed retirement with other professors	31
Arranged for future employment	13
Other	9
None	10

Many retired professors secure teaching positions in other colleges or work as consultants, or work for publishing firms, and write books, and doctors continue medical practice. The extent of this work is indicated by the following three items:

5. After you retired, did you accept another teaching appointment on a salaried basis?

Yes	28%
No	63
No answer	9

Half of those who accepted such positions, indicated that they were on a full time basis, and half were on a part-time basis.

6. After you retired, did you accept employment other than teaching?

Yes	31%
No	58
No answer	11

Sixty per cent of those who were so employed were working full time, and forty per cent were working part-time.

7. Are you gainfully employed at present, and, if so, how many hours per week does this take?

Yes	52%
No	43
No answer	5

Sixty-three per cent of those employed are occupied full time, and thirty-seven per cent are part-time. Of these (so employed) forty per cent are self-employed, and sixty per cent are employed by others.

There are openings for professors in some of the smaller colleges in the South, Middle West and Far West. The majority of our retired faculty however, do not wish to move, as they were well established here. "If I'm of no use to my own University, why should I seek employment elsewhere?" was the feeling of some. However, among those who would and did move to other colleges, there were expressions of satisfaction with the change. "Since my wife is a well-trained person, a recognized scholar in her field and there was a need for her services in this college and on this campus, she is happier than she was when I was connected with NYU," writes the Dean of a small college.

8. At the time you retired, would you have been interested in moving to a different community as a professor; if necessary at a reduced salary?

Yes 41% No 55% No answer 4%

Sixty per cent of those who would be interested, would like full-time work and forty per cent preferred part-time work.

Eighty per cent of these would have been willing to move 500 miles or more to a new institution to do such work (and some did), and twenty per cent preferred to stay in the north-eastern area.

Apparently, our faculty prefer the responsibilities of home ownership to living in a rented house or apartment. In this respect, they are well above the national average for home ownership for persons over 65 years of age (which was 68% in 1950).

9. Where are you now living?

Own home	70%
Rented house or apartment	29
With children or relatives in their home	0
In a home for the aged	0
Rented room	1
Nursing home	0

Since they own their own home, they do not move frequently.

10. How many times have you changed residence since retirement?

None	58%
Once	34
Twice	5
Three times	1½
No answer	1½

Of those who did move, their reasons for moving were:

11. Reasons for moving:

Less expensive place	42%
Employment opportunity	32
Better climate	26

The vast majority of the retired couples prepare the main meal themselves.

12. Do you and/or your wife generally prepare and cook your own food for the main meal of the day?

Yes 80% No 16% No answer 4%

Activities of our retired faculty, in which they reported spending "some" or "a lot of time" cover a wide range. A few added Golf and Swimming to the items below:

13. In which of the following activities do you spend "some" or "a lot of time?"

Reading	76%
Traveling	58
Gardening	54
Listening to the radio	48
Watching television	42

Writing	39
Visiting others	38
Participation in civic affairs	30
Looking after investments	29
Housework	27
Participation in church work	25
Clubs and organizations	22
Cooking	13
Crafts	12
Painting	12
Participation in older people's groups	8

As professors are usually regular readers, their tastes in literature during retirement give some clues to their interests at this time.

14. Other than keeping up with your professional journals, what kind of reading interests you most? (Check all that apply)

Newspapers	86%
Magazine articles	66
Biography	54
Fiction	42
Travel	32
Mystery	29
Foreign	13
Poetry	8

Many professors did not think of themselves as retired and others found difficulty in finding anything they liked about retirement. As one professor stated, "There is not one single thing I like about retirement." But others enjoyed the freedom from routine and the remembrance of work well done.

15. Which of the following do you like best about retirement? (Check all that apply)

Freedom from routine	58%
Remembrance of work well done	41
Freedom from responsibility	29
New opportunities for service	18
Opportunities for hobbies	18
Don't have to work so hard	10
Freedom from competition	9

Whatever the problems of retirement may be, there is practically no doubt in the minds of our group, as to whether their lives have meaning and purpose.

16. In your own opinion, are you continuing to lead a useful life?

Yes	92%
No	1½
Undecided	1½
No answers	5

If Yes, check one or more of the following, which seem important to you

Service to others	57%
Writing	43
Counseling	40
Lecturing	34

In this group, there was little evidence of the major anxieties and concerns of aging. Several mentioned that these were not of concern —yet. Where concern was noted, it related to loss of income and loss of contact with professional colleagues.

17. Which of the following are of real concern? Check all that apply.

Loss of income	30%
Loss of friends (professional colleagues)	23
Health problems	17
Loss of contact with young people	17
Decreased strength	16
Lack of drive, energy, vigor	10
Loss of speed in working	8
Lack of positive goals	8
Loss of sense of being needed	7
Loss of memory	7
Loss of hearing	4
Loss of vision	4
Lessened learning ability, decline in mental alertness	4
None	13

In spite of all the reluctance to retire, there seemed to be a general feeling of happiness in their present condition. Many reminded us that they had not really retired.

18. Compared to when you were teaching full time, are you generally

Happier	16%
As happy	53
Not as happy	13
Undecided	1½
No answer	16½

Replies to specific questioning about earnings and sources of income indicated that our group was in a better financial condition than had been expected. Eighty-four per cent were receiving half or more of what they were earning prior to their retirement. Many had saved and invested against the time of retirement. Some had written books, and are now receiving royalties. Salary from full or part-time employment is a significant part of the picture of total income. A large majority felt economically secure. No one is in need for the necessities of life.

19. How does your present dollar income, from all sources, compare with the "take home" pay you were receiving just before you retired?

As much or more	32%
Three quarters as much	22
Half as much	30
A fourth as much	7
No answer	9

20. What portion of your present total income is received from University pension plans, including Social Security, if any?

None	9%
Less than a fourth	33
A fourth to a half	17
A half to three fourths	14
Over three fourths	10
Annuity and Social Security only income	4
No answer	13

21. What are your sources of income? (Check all that apply)

University annuity	72%
Social Security	56
Dividends or interest	70
Royalties	33
Rentals	12
Full or part-time employment	47

Several listed insurance income policies.

22. Do you feel economically secure?

Yes 71%. No 4%. Questionable 20%. No answer 5%.

23. Are you actually in need for the necessities of life?

No 95%. No answer 5%.

24. What proportion of your income was needed for medical expenses in the last 12 months?

Negligible	47%
Less than 10%	29
10 to 25%	13
25 to 50%	3

Believing that the retired faculty members on the basis of their actual experience could provide the benefit of their experience to the University Committee, questions were asked relating to their opinions on retirement policies. As indicated, they do not believe in compulsory retirement at a specified age. They are inclined to think that a flexible plan is highly preferable, but they do recognize some of the difficulties of administering such a plan.

25. Should retirement for college professors be compulsory at a specified age?

Yes	29%
No	53
Undecided	18

26. At the present time, professors at the age of 63, have a choice of going on half time for the next four years, as a gradual retirement. Do you believe this is a wise plan?

Yes	46%
No	33
Undecided	18
No answer	3

27. Do you believe that a pension plan should be flexible, permitting retirement at varying ages?

Yes	68%
No	13
Undecided	14
No answer	5

Not many had financial responsibility for dependents other than themselves and their wives.

28. Should children be expected to contribute to their parents' support, if it is needed?

Yes	52%
No	17
Undecided	21
No answer	10

29. Do you have financial responsibility for

Children	17%
Grandchildren	7
Parents	7
Others	8
None	32
No answer	29

In order to determine some idea of the amount of income which was considered reasonable for single persons and couples, the following questions were asked. Those persons retiring prior to 1950 tended to estimate an amount about $1000 less a year than those who retired after 1950.

30. What is the yearly amount on which a single person of your age and in reasonably good health, should be asked to live (in 1957)?

(Answers averaged) $3.750.00

31. What is the yearly amount on which a couple about your age and in reasonably good health, should be asked to live? (in 1957)

(Answers averaged) $5.250.00

32. Do you think you would live longer, if you had more money?

Yes	9%
No	56
Undecided	26
No answer	9

33. Compared to other persons of your age in your community, do you believe your own situation is:

Better than average	56%
Average	30
Below average	7
No answer	7

The group did not seem clear in their own minds as to how their experience could be used for the benefit of their colleagues in planning for retirement. Perhaps this was because so many of them did not think of themselves as retired.

34. If you were advising a professor in the age group 50 to 60, concerning retirement, which of the following would you urge him to do on the basis of your own experience? (Check all that apply)

Discuss the future with his wife and children	78%
Determine as accurately as he can what his future income will be	89
Plan for utilization of time after retirement	71
Plan for future living accommodations	70
Consult his physician	51
Develop some hobbies	48
Ascertain living costs in different areas of the country	48
Explore community activities for older people	17
Move to a better climate	16

Dr. Margaret Benz is Associate Professor of Sociology at New York University.

UNIVERSITY RETIREMENT POLICIES

Henry Sellin

One of the major problems in any organization's planning for its senior personnel is when they should retire. This is especially true in the case of a university because the correlation between chronological age and intellectually productive age is open to question. This situation has been further complicated in recent years by the growing shortage of university teachers.

To explore the situation and, if possible, to find a solution, the New York University All-University Committee on Problems of the Aging set up a subcommittee to study retirement policy. One of the first steps taken by the subcommittee was to survey the retirement policies of the universities comprising the Association of American Universities. This was done by means of a letter to the presidents of the member universities requesting information as to their practices in four areas related to retirement.

The areas, as stated in the letter, are:

1. A mandatory retirement age; is one desirable and if so what age?
2. Optional or other variations from the mandatory retirement age.
3. Post-retirement University employment—what kind of program, in what capacity?
4. Integration of TIAA and Social Security; what part of the cost should be borne by the University?

31 of the 34 members of the Association replied to the letter. Including, New York University, the data presented below thus reflect the practices of 32 universities.[1]

MANDATORY RETIREMENT AGE

The mandatory or normal retirement age varies from 65 to 70. 10 universities reported 65 as the mandatory age, 8 reported 68, and 11 reported 70. The other ages 66, 67 and 69 are in effect in one university each. A similar spread exists in the State Universities, with 15 reporting 65 as mandatory age, while 22 report 70. Among the State Universities 9 reported that they had lowered the mandatory retirement age within the past five years. However, 14 reported that they expect to raise the mandatory age in the near future.

VARIATIONS FROM MANDATORY AGE

In a number of universities, provision is made for retirement both before and after the "normal" age. In 12 institutions, the employee

may, at his own option, retire prior to the mandatory age,[2] the average anticipation being five years. In two cases, the pre-mandatory option is exercisable by the University.[3]

Post-mandatory-age retirement is likewise permitted in several universities. In 9 of them it is at the option of the employee and may extend for as little as one year, or as long as five. Nineteen universities require that any extension of service be at the option of the university, whereas four do not permit any extension whatever. Two of the universities which do not permit any extensions of teaching do furnish office and research facilities. Of the universities which permit an extension of service, 6 do so by annual contract, 5 by special assignment and the others under a variety of circumstances.[4]

Just as the above statistics indicate a lack of uniformity in practice, so did the comments of the reporters indicate a lack of uniformity in the thinking of administrators on the question of "a" retirement age. Some persons favored a fixed retirement age, others favored flexibility. The reasons given were the usual ones: A fixed retirement age policy is easy of administration and avoids all personnel issues; a flexible retirement policy enables the university to conserve manpower and to keep its teachers for a few years longer.[5]

POST-RETIREMENT EMPLOYMENT

Very few universities permit faculty members to continue to teach after retirement. A few permit continuation of research by furnishing facilities for this purpose, and a few will call people back for specific assignments. Two of those permitting post-retirement employment, place a limit upon earnings; whereas one, which places a limit upon the post-retirement teaching load, provides that the salary shall be in addition to pension payments. Two of the universities indicate that retired faculty from other universities may be hired.[6]

TIAA AND OASI

It is interesting to note that 8 of the member universities do not participate in TIAA. A variety of reasons is given for this, among them being the contention that the TIAA loading charge is too high. The institution in question maintains its own retirement fund, with the employee contributing 5% and the university 8%.

Of the 20 institutions[7] which do participate in TIAA, 9 have contributions on a matching basis, the university and the employee contributing equally an amount varying between 5% and 7½% of the employee's salary. The remaining institutions vary the proportion of the university contribution from just under one and one-half times, to three times that of the employee. Inasmuch as the lowest employee

contribution (with one exception) is 5%, the university contribution ranges from 7% to 15% of the employee's salary. In the case of the one exception, the rate of contribution varies with the age of the employee as follows: 30-39 years of age, employee contribution 3%, university contribution 9%; 40-49 years of age, employee contribution 4%, university contribution 12%; 50-68 years of age, employee contribution 5%, university contribution 15%.

In the matter of integrating OASI with TIAA, there is almost even split.[8] Nine institutions combine the two systems, that is, the withholding and payment of the OASI contribution by the employee and the university is made part of the amount contributed by both to TIAA. Ten institutions have the OASI withholding and payment separate and in addition to the TIAA contribution. One of the non-integrating universities explained the refusal to integrate as follows:

> We do not offset our retirement by Social Security benefits. We feel that even with CREF there is need for this extra protection against possible inflation in a "money-purchase" annuity plan based on past wage levels.

RECOMMENDATIONS OF SUBCOMMITTEE

In light of the practices of the reporting universities, and after a consideration of all the relevant factors, the Subcommittee has recommended, among other matters:

I. *Retirement Age*

A. Compulsory retirement at age 68.

B. Optional retirement, at the option of the employee, at age 65.

C. Semi-retirement, at the option of the employee at age 63 or at any age thereafter prior to 68, provided that notice of intention to enter semi-retirement shall be given to the University administration on or before September 30 of the year preceding semi-retirement. During semi-retirement the employee shall have no administrative duties, shall teach only a half program, and shall receive only half salary. All pension contributions and deductions shall continue until full retirement.

D. Employment beyond age 68 at the option of the University, i.e., arrangements for such employment shall be initiated by the University.

II. *Pension Contributions*

A. TIAA (CREF) shall be kept separate and apart from social security.

B. The University contribution to TIAA (CREF) shall continue

at the present rate of 10% of the employee's salary; the employee's contribution shall continue at the present rate of 5%.

C. Contributions to OASI shall be made by the University and by the employee at the rate prescribed by Statute.

D. When an employee reaches the age of 50 his retirement pension shall be examined to determine if possible what percentage of the employee's final pay will be received by him under TIAA (CREF), OASI, and any other retirement program to which the employee may belong. Should this percentage be less than 50%, the contribution by the employee and by the University shall be increased in a matching ratio to a maximum of 20% by the University and 10% by the employee, so that as nearly as possible the annuity to be received by the employee at retirement age will equal 50% of salary. This provision shall apply to persons who at a time of retirement will have been at New York University for at least 20 years and who have been members of TIAA at New York University for 20 years or longer. In the event that the employee's employment at New York University and his membership in TIAA are less than 20 years, there shall be a reduction in the amount of contribution by one-twentieth for each year less than 20.

---

[1] It may be of interest to compare these practices with those of the State Universities as reported by Daniel A. Button. See: Button, "Retirement Practices in State Universities," 43 *AAUP Bulletin* 492 (September 1957) reporting on 42 of the 49 State Universities.

[2] 8 State Universities permit pre-mandatory age "retirement."

[3] It should be noted that all the reports related to "retirement." None of them spoke in terms of "dismissal" which is an entirely different matter.

[4] In 18 State Universities an extension of service beyond the mandatory retirement age is permitted.

[5] A similar diversity of views was expressed by the State Universities. 21 of whom were in favor of flexibility, with 19 opposed. This diversity of views is not limited to the academic world but was expressed by two leading industrial retirement specialists whose opinions were solicited.

[6] It may be noted that in Canada, the National Conference of Canadian Universities maintains a list of retired professors who may be hired by other institutions.

[7] 4 Universities did not answer this question.

[8] Six of the universities which do not belong to TIAA, do participate in OASI. Three of them have integrated the two plans, three have not.

Henry Sellin is a lecturer Division of General Education and Executive Director, Institute on Federal Taxation and Department of Conferences and Institutes, New York University.

PLACEMENT PROGRAM FOR RETIRING OR RETIRED PROFESSORS

Walter L. Kelly

The need for a placement program for retired and retiring professors is two-fold. There is a recognized shortage of qualified professors and many of our professors are obliged to retire (age 65 at New York University), even though they may wish to continue in their field of work. They have much to contribute in experience, perspective, ability, knowledge and techniques, but many retiring or retired professors need a market place for their talents.

A special program of placement for retiring professors at New York University has been designed for the specific purpose of meeting these needs. It is possible to serve the retiring professor who wishes to continue in his profession, and, at the same time, also serve the field of education.

The objective of this special placement program is to aid retiring New York University professors, insofar as the Placement Services of the University are able, by the following means:

1. By making available the facilities of the Placement Services as a medium through which contacts can be made with educational institutions of the professors' choice, and developing contacts where necessary and desirable.
2. By providing detailed information on the preparation of a two-part resume considered the most acceptable format.
3. By making available a complete placement program, including the printing and distribution of resume formats and other forms necessary to carry out the program.

Initial introduction of this program was in the form of a news release in the New York Times, briefly outlining the establishment of a placement program for New York University Faculty retirees. Following the announcement in the Times, the Placement Services secured names and addresses of retired N. Y. U. professors from University records and established direct mail contact with each name on the list. This first mailing consisted of a covering letter, a complete outline of the placement program, as well as a copy of the news release. The covering letter explained the purpose of the mailing, and also gave specifications on various job openings for retired professors, which had been received as a result of the initial news release in the New York Times.

The nine page outline of the placement program contained statements on the need, purpose and objective of the program. In addition, the outline contained the following examples:

1. Suggested covering letter to accompany either individual resumes or bulletins listing biographical outlines of retired professors.
2. Completed two-part resume.
3. Format of bulletin.
4. Biographical Information Forms.

The covering letter was directed to educators who are in a position to determine policy, especially as it would apply to hiring professors aged 65 or over.

In essence, the letter pointed to the rapidly increasing college enrollments, and to the now existing shortage of qualified professors. In a few short paragraphs the letter outlined the contributions these retired professors still can make to the field of education, and our desire to bring together these professors and employers who are in a position to consider them for appointments.

The sample resume was three pages in length, with the first page directed to the most recent two years of activity. The purpose of this first part is to draw attention to the high level of activity in most recent years, which is probably the best indication of immediate future potential. The format is one of many that can be used.

SUGGESTED RESUME FORMAT

Name	Height
Street	Weight
City	Age
Telephone	Marital Status

RESUME, 1957-58

Professional Experience	List New York University courses taught, seminars conducted, student counseling, chairmanships.
Contributions to Professional Literature	Articles published, or accepted for publication in this period.
Advanced Research	Consulting and Research work during semesters or summer sessions.
Travel	Extensive tours, foreign countries and United States.
Associations and Conventions	Memberships actively maintained, and attendance and level of participation at conventions.

Social and Community Service	Would include school board membership, various service clubs, civil projects
References	Letters of recommendation from a staff member of central administration, dean of the school and chairman of the department.
	RESUME, PRIOR TO 1957-58
Education	Show degree, year, field of specialization, highest degree first.
Experience	List of most recent experience first, description of work, length of service and employing institution.
Accomplishments	Chairmanships of department(s), seminars, work shops, counseling, lecturing, committee work.
Research	Published and unpublished works, doctoral thesis, special research projects.
Military Service	Include military record, give technical details and supervisory experience.
Travel	List residences abroad, United States, extensive tours.
Associations	Memberships, offices held, committee responsibilities.
Certificates	Teaching, supervisory, government awarded.
Social Work	Volunteer community work, civic offices and committees.
References	Indicate availability of credentials and references on file with university placement services.

The procedures outlined for use in the special program of placement for retiring professors are in some instances new, others are tried and true. The success or failure of the program, however, lies least with the procedures and most with the retiring professors themselves. It is possible to report at this point that the number of openings for retiring professors exceeds by far the number that have filed resumes with the Placement Services. In fact, all who have filed are now placed, or actively in contact with prospective employers.

A monthly letter to retired professors was initiated in March, 1958. One of the purposes of this letter is to provide current information on all job openings specifically calling for retired professors. It details job locations, salaries offered, and duration of such opportunities. Its main purpose is to emphasize the demand for the services of retired professors, and hopefully encourage many more to file completed resumes with Placement Services.

Walter L. Kelly is Director, Placement Services, New York University.

THE HEALTH AND MEDICAL ASPECTS OF RETIREMENT: A PANEL DISCUSSION

Frederic D. Zeman, Elaine P. Ralli, Conrad Rosenberg and Douglass S. Thompson

The Health and Medical aspects of retirement are fully as dependent on what one does about them long before retirement as is the financing of one's retirement. These are health aspects in their broadest concepts and refer to the emotional and social phases of health as well as to purely biological health. The fact that present day socioeconomic factors have enabled the phenomenon known as retirement to be superimposed on the biological facts of life does not alter completely these biological facts, of course, but it does give one a better opportunity to adjust to these facts and to fit better his own interests and needs to them.

Good health as it is reflected by physical, emotional, and social well being—more than simply a normal electrocardiogram and normal blood tests—is the goal, of course. It is in pursuit of this good health that an early start should be made. Some habits will have to be modified, others fortified as one approaches retirement with the intent that the transition into retirement will be smooth, something like two well spliced ropes. Otherwise certain attitudes and habits may be detrimental to your good health—whether or not you are aware of them as such. A story in point is told about Sir Winston Churchill at a banquet several years ago. When he was passed a glass of brandy, he asked his personal physician who was in attendance if he might drink it. The physician conjectured that to do so might interfere with his continuing recovery. Churchill boomed in reply, "Worse sir, than to upset the inexorable routine of a lifetime?" This is why retirement must be planned; so that it will be something other than a total uprooting of the habits of a lifetime; so that retirement and old age will not be synonymous with the end of life, with ill health, or with dissatisfaction but rather with a longer happier life. Retirement should be, not a liability, but an asset.

Quite naturally retirement is contemplated with marked ambivalence because there is an eager anticipation as well as a worried concern about it. Perhaps some of the concern can be dispelled and a more favorable balance be given thus to the ambivalence.

First of all it is important to know something about the biological facts of the situation—what is growing older and finally old biologically? Dr. Zeman in discussing this defined word "geriatrics" as a branch of medicine devoted to the diagnosis and treatment of disease in the aged but emphasized that this does not imply that the disorders

that occur in older people should constitute a medical specialty, since these conditions are an essential part of internal medicine. He also defined "gerontology" as the science of old age.

Age, Dr. Zeman went on to say, is not a matter of birthdays, but of functional capacity. People grow old at different rates. Some are old at fifty, others young at seventy years. He told the story of the elderly man who once consulted him, giving his age as eighty and his occupation as salesman in a department store—where he was thought to be only fifty-eight.

In referring to functional changes in the body as a whole, Dr. Zeman, discussed decreased speed, strength, and endurance of skeletal neuromuscular reactions and decreased strength of skeletal muscle, together with progressive changes in central nervous system associated with impairment of vision, hearing, memory and mental endurance. He discussed increased fatigue as being the most notable effect of aging.

However, along with this biological information he emphasized several facts: that there is no set aging pattern for all individuals and that most individuals compensate by virtue of their life experience for a large part of their central nervous system changes. In other words, older people, unless they have specific diseases, function relatively well both physically and intellectually.

The panel next turned its attention to a number of specific items that it felt would be helpful to people in furthering their good health. Dr. Thompson discussed a phase which he called, "You and Your Doctor." He emphasized that everyone should have a doctor—someone who is equipped to and willing to be in charge of the person's health. This doctor should be visited, of course, whenever there are symptoms or a concern about health, but in addition should be seen annually or more frequently when indicated for a general check up. Particular attention should be paid to eyes, hearing, teeth, and feet —important organs which often can be improved or preserved with simple measures with extremely gratifying results. Tetanus and smallpox immunizations should be kept up to date—each should be done every four years (every leap year should be easy to remember). This is especially necessary if international travel is anticipated.

Those who have not yet established themselves with a doctor should select one with care. Perhaps your university's health service can help in this (New York University's Health Service does), or one of your faculty cohorts may be able to help. The County Medical Society can help always. If you move to a new location your present physician can probably recommend a doctor in your new area to you. Having selected your physician with some thought, stay with him

—"doctor shopping" is almost always futile in terms of any real health gains and usually only confuses and confounds this problem. Visit him as soon as you conveniently can and get to know each other. Give him a chance to obtain whatever medical information he may desire from your medical history. Then should you later become ill he will be much better prepared to treat you and you will be much better prepared to receive that treatment.

This doctor-patient relationship is not a one way relationship, however. You have a good idea of what you want your physician to be, but what does he want you to be? Here is one doctor's thought about this. "An ideal patient is one who comes to the doctor with the attitude which allows him to present the facts of his problem as objectively as possible. Such a patient permits the doctor to assemble the necessary information before an attempt is made to explain the cause of symptoms.

"After facts have been assembled and the physician has reached his conclusions, the ideal patient exerts the effort necessary to obtain a full understanding of his medical problem. He faces up to the facts of his problem, he accepts his limitations and aids the physician in working out a realistic program that the patient can follow.

"He then adopts an optimistic and aggressive approach to the program of treatment with the realization that it is up to him to carry out the program that has been worked out with the guidance of his physician.

"It is my opinion that the ideal patient must have a physician who will build a foundation of mutual confidence and cooperation between the patient and the physician. It is necessary for both the patient and the physician to maintain an objective perspective in order to make an accurate evaluation of the problem and the results of treatment."

Dr. Ralli emphasized the importance of good nutrition as people grow older. She spoke of the unfortunate tendency for so many people to gain weight as they go through life and pointed out the terrific burden excess weight imposes upon the heart because of the high degree of vascularity of fatty tissue. This problem is best combated by consuming fewer calories and being more active. She stressed the need for adequate protein in the diet (milk, meat, and eggs) in order to provide the essential amino acids. She recommended that the dietary fat be reduced primarily because of physiological changes in the gastro-intestinal tract which tend to interfere with the digestion of fatty foods and certain vegetables, such as cabbage.

In discussing self-medication with such things as vitamins, tranquilizers, sedatives, and hormones, Dr. Ralli indicated that while

such medications indeed have a place they should be used only at the direction of the person's physician. She felt that two or three ounces of alcohol prior to an evening meal were of real value in terms of relaxation and better food digestion, but she did feel it ought to be limited to this amount and that plain drinks were preferable to certain American cocktails.

As indicated by Dr. Ralli, exercise and nutrition complement one another in maintaining and enhancing health. The remarks that follow about exercise are directed particularly to those without medical problems which interfere with the mechanics of exercise such as arthritis and without other medical problems such as heart or lung disease. This is not meant to imply that such persons should not be active but rather that this activity should be directed by the individual's physician.

Better posture is one thing that can be accomplished by very simple exercise—keeping the pelvis level, especially while walking, raising the chest, and doing some deep breathing. This will help to improve organ function and will diminish fatigue.

The first step in exercising is to decide to be more active and then be more active. Brisk walking with proper posture is a good way to begin. In a few weeks further physical activity such as bowling, dancing, golfing, or any of the lighter kinds of pleasant exercise can be commenced. Calisthenics can be substituted for these light sports but from an all-around point of view this is not so desirable as an activity in which a real interest can be developed.

A few words of caution about exercise must be added. Weekend and vacation sports can be dangerous. If you are used to playing golf every weekend, you will stay in fair condition from Saturday to Saturday, but if you haven't played golf for several months, it is not a good idea to try to play 72 holes your first weekend on the course. This same thing applies to gardening, hiking, tennis, and the like. Housework, while it is indeed muscular exercise, is inadequate exercise because it lacks the necessary interest to prevent boredom.

One of the more pleasant prospects about retirement is the opportunity that it gives, theoretically at least, to live wherever one wishes. In so far as physical health is concerned most persons can live wherever they choose. Here again, however, special situations will warrant special guidance by the personal physician. But at the same time there are many other factors which should be appraised thoroughly. Before moving to Florida or California, try to realize what it is going to mean to leave family, friends, and other familiar elements behind you. But it is not only what you leave behind that is important; what you are going to is equally important. Do you want

to live among people who are all grandparents? Will you not miss the four seasons if you've always known them? Remember there is a difference between simply vacationing in a resort area and living there permanently. One writer on this subject specifically warns you to "beware the farm fantasy" and all that is involved in successful farming. One thing, though, you should do is live in a place that requires "care and feeding," so-to-speak, both inside and out.

The possibility of a "second career" is something that deserves some attention in this discussion because it has the double appeal of adding income and providing stimulation. From a health point of view, such an interest is to be encouraged, but it is essential that a decision about this be reached only after a thorough medical evaluation so that one is assured that the undertaking of second career responsibilities will not be detrimental to his health. And it should be remembered also that even though one continues to work, the biological processes persevere and should be heeded in terms of the other factors that have been discussed.

The problem of financing your medical needs is not solved easily. Statistics show that the average medical costs per year for retired individuals is slightly over one hundred dollars. Dr. Rosenberg, in discussing this subject, pointed out that this is somewhat deceiving since it is an average figure and one illness needing hospitalization will far exceed this sum. Persons who have group Blue Cross and Blue Shield insurance can change to individual or family policies at retirement and should do so. At the present time it is difficult for individuals of retirement age to institute new medical insurance, but this is a changing picture and all are advised to investigate the matter individually. Good medical insurance is worthwhile, but make certain that it fits your particular needs and will cover you wherever you may be if you move or travel.

Here then are some suggestions about health and retirement and they can be helpful if you give them a chance. They can be most helpful if you commence to act on them some years before retirement. Advance planning of where you will live and what you will do after retirement and coordinating all of this with your health status can make the actual day of retirement, not a day of psychic trauma, but another phase of your long-standing plan.

Dr. Frederick D. Zeman is Chief of Medical Services, Home for the Aged and Infirm Hebrews of New York.

Dr. Elaine P. Ralli is Associate Professor of Medicine in the New York University Medical School.

Dr. Conrad Rosenberg is Assistant Professor of Clinical Medicine in the New York University Medical School.

Dr. Douglass S. Thompson is Assistant Professor of Medicine in the New York University Medical School.

FINANCIAL PLANNING FOR RETIREMENT

Harry M. Kelly

In Plato's Republic Socrates asks the wealthy Cephalus, "Is life harder toward the end?" Naturally there is a Socratic tussle as Cephalus tries to shape a satisfactory answer, but the old merchant does finally admit that "even to the good poor man, old age cannot be a light burden."

This truth of two thousand years ago still holds valid today, despite the efforts of welfare agencies, the advances made in medicine, and the proliferation of creature comforts in the land. As a matter of fact a proper recognition of the therapeutic value of money in lightening the pressure of old age is something that must be kept foremost in the minds of every adult today from the minute he draws his first pay check on his first job out of school to the time he draws his last breath. Insurance companies certainly agree that those with fewer financial worries live longer—at least it seems so as the cashier pays out annuities.

Fortunately, good retirement plans are available to almost everybody under our great American economy. Patience, skill, wisdom, and common sense must be certainly exercised in building toward proper financial security, but there is no need for anybody to be harrassed by economic need during retirement if he plans properly toward that day. Not only are good plans widely available, but interestingly, the degree of old age security is often as much a matter of attitude as it is amount of income during working years. Let me illustrate this point from the example of two colleagues of mine with identical incomes, annuity plans, and dates of retirement.

Professor A. purchased a farm several years before retirement and spoke to me of nothing else during his last few years of teaching but the joys of living for "almost nothing" on this farm and the much greater happiness this farm would bring than he found in his expensive apartment in New York City. I must admit that in retirement this colleague and his wife are happier than I have ever seen them.

Professor B. gave little thought to retirement until the day he looked pathetically at a gift we had awarded him at a retirement dinner. He walked into his retirement bewildered that it was really upon him. Recently he complained to me that at the age of seventy-two he was forced to go into part-time teaching at another institution to make ends meet.

What was the real difference between Professors A. and B.? A. has a higher standard of life on less income than he formerly

enjoyed. B. tried not only to maintain his old standard of living, but even filled his leisure hours with more costly but not really satisfying recreation.

The fundamental point is not that we should all imitate Professor A. and purchase a farm, nor that we should avoid the example of Professor B. and keep out of the city. Examples of others are all right as far as they go, but they can never serve as more than guides. What we must do is build a retirement plan in accordance with our likes, dislikes, and obligations. Some of us, like Professor A., may find highest satisfaction in retiring to the country; others in traveling; still others in writing the book we never had time to write. Retirement plans must always be tailor made and include our desires as well as our income, though like Captain Bisbee in "The Teahouse of the August Moon" a good many of us are going to have to find contentment somewhere between our desires and our capabilities.

The objectives of retirement planning are simple. First, to outlive your retirement income, and, second, to provide financial protection for yourself and those depending upon you. It is of course obvious that you must start this financial planning as early in life as possible. Then with a proper plan we can make the right choice of an insurance policy, or an annuity, or the right type of investment. However the problem at retirement is the problem of what to do with what we have, not what we could or should have done. This is all well and good for those who are young enough to make such plans but what about those already on the eve of retirement?

Managing your funds is not difficult. Money will not manage itself. It requires constant and thoughtful attention. It is remarkable how many people scrimp and save on low salary for most of their lives and then devote so little attention and thought to safeguarding it and deriving the maximum return from their savings. Retirement planning should start with a consideration either of assets or retirement income and retirement expenses. It should routinely include living expenses for you during your post-retirement years, living expenses for your dependent survivors, funds for extraordinary expenses of sickness, accident and death for both you and your dependents.

You might well commence with a careful inventory of assets: Just what do you own? Later you can decide whether these assets are invested in the form they should be in order to derive the maximum income consistent with safety. Your house may well be the asset of greatest value, but do not overlook the present value in those insurance policies you may no longer need as insurance. Saving accounts, stocks, and bonds are likely to make up the remainder.

While you are looking at securities it might be well to ask yourself several questions about them. Will the savings account buy as much today as in the years during which it was built up? Is the interest rate on the bonds equal to the present rate of interest being paid on bonds being sold today? If the bonds had to be sold would they bring par value? Are the stocks worth more or less than they cost? Are the securities in those companies showing dynamic growth, or in stable industries, or are they in industries which seem to be losing their vigor and slowly dropping back in the economy? Against these assets may be some liabilities—the unpaid mortgage on the house for instance.

Preparing an income statement will probably prove easier because the task has become second nature. Your pension and social security are likely to furnish the major portion of retirement income, along with such annuities, royalties, interest and dividends accumulated through a lifetime of saving. Matching expenses against income of course is going to depend on retirement plans, but this chore need not be any more formidable after retirement than before. Many "expenses" of pre-retirement will no longer be incurred. Pension payments cease, social security deductions are no longer made. Hospitalization and insurance premiums may continue, but income tax will be less. Against these income items, whatever your plans, provision should certainly be made for sickness and accidents in addition to the day by day cost of living.

Counted among the assets of most people is some life insurance whether one, or what is more probable, several policies purchased haphazardly and without any thought of a unified plan at the time they were taken out. For those who have not actually reached the eve of retirement careful reevaluation of insurance is always wise. The American people have always been enthusiastic about the advantages of life insurance and there seems to be no diminishing of the trend toward carrying increased amounts. Insurance companies have "packaged" their product to fit almost every need. Yet the average man probably knows less about insurance than any investment he buys. It is this lack of understanding that often makes insurance wasteful of savings. Your insurance policy on your life is a valuable asset. Life insurance has two broad objectives. First and foremost, insurance is purchased for protection against the financial loss occasioned by the death of the income producer during the period when his financial contribution to the raising of the family or protection of his widow is necessary. Second, insurance is purchased for the purpose of saving. Insurance policies today are written to take care of all contingencies and payments are calculated to secure

the maximum amount of protection and savings for each dollar of payment. Straight life, twenty payment life, thirty payment life, and payment until age sixty-five, are the old standbys. Family income and family maintenance are but two of the newer forms. Group insurance, now becoming a reality for college staff and faculty in many institutions, is term insurance written under a master policy for the university on all or some of the members of the staff and faculty. The chief advantages lie in the low premium rate made possible since selling and administration cost passes from the insurance company to the employer and since the widely spread nature of the risk permits the waiving of costly physical examinations. Both of these factors make possible at least some insurance to those who would not otherwise be able to procure insurance because of some physical infirmity, to whom the higher cost of a regular policy would make an adequate amount of insurance protection prohibitive. This group insurance offers the greatest amount of protection during the years when the need for protection is greatest and less as the insured becomes older and the need for insurance presumably becomes less. This advantage of paying for protection only when protection is needed should be carefully considered.

Surely before the day of retirement, when we are taking count of our assets, it is a good time to review the entire need for continued insurance protection and to formulate plans for converting into income those policies which are no longer serving a useful purpose. Probably what was a pressing reason for having a policy thirty or forty years ago may not be so pressing today. Insurance protection is usually acquired to provide an income for your widow and children had you died while the children were still young. On the eve of retirement perhaps there is no longer that need. Or perhaps other sources of income are available for the protection of your widow. Access to the benefits of social security for those in the teaching profession has provided a better protection than most teachers could have obtained through insurance. An equally pressing motive for insurance protection in pre-retirement life was to provide for the expenses of a final illness—doctors, hospitals, funeral, unpaid taxes and other debts and for the period of readjustment which must inevitably follow the death of the income-producing member of the family. Although the need for protection against those final expenses continues after retirement, the extent can be greatly curtailed since the adjustment period is altogether different when children are grown and independent. A third common reason for insurance is to provide income for post-retirement years. Life insurance must never be thought of as only "death insurance." It has many "living benefits"

as well. These living features of a policy, coupled with social security and pension, may provide a comfortable income after retirement. A study of the options available in the standard life insurance policy is a must and amply repays a few hours study. The benefits available may surprise you. For example, those whole life policies on which you committed to pay until death may be surrendered for a paid-up policy in a lesser amount upon retirement so that the payment of premiums may be eliminated from your budget. Of course, by purchasing a policy on which payments cease at the age of sixty-five the same result is obtained. However, the longer you pay premiums on any given policy the lower the annual rate. Stated another way, for the same amount of money paid each year on premiums, the policy on which payments continue for the longest period would result in the largest principal amount of insurance. The maximum amount of insurance can be purchased for each dollar of premium if you agree to pay for the rest of your life. Now at retirement, with many years ahead, a fully paid-up policy, albeit in a lesser amount, may prove welcome. There are alternatives. For example, a straight life policy issued at the age of twenty would permit the holder at sixty-five years of age to discontinue payments and accept a fully paid-up policy in the amount of approximately eight hundred and thirty dollars for every one thousand dollars of policy. Or, if there is still the need for maximum insurance protection the entire policy can be kept as a term policy. A ten thousand dollar straight life policy will continue after age sixty-five for seventeen years and one hundred and sixty-six days—or until the holder is eighty-two and one half years old. By that time perhaps the need for protection has decreased. If this method is chosen what cash surrender value the policy had has been used to purchase the term policy. If the insured wishes, he can surrender the policy for its cash surrender value and give up the protection afforded by the policy. A straight life policy acquired at the age of twenty would yield a cash value to the insured of about six hundred and thirty dollars for each thousand dollars of insurance. This cash surrender value represents the savings aspect of insurance. Whole life policies are written with what is called a "level" premium. That is, the amount paid each year by the insured remains the same from the time he takes the policy out until it matures. The chances of a healthy, twenty year old man's dying within the year are less than the chances in his fifty-fifth year. Were the premiums to be fixed according to the risk involved—as it is in term insurance—then the premium would be greater as the insured becomes older. By charging an equal amount each year, that is leveling off the premium, a larger premium is paid by the insured in the early years of the

policy and a fund is built up to take care of the "underpayments" of the latter years. This fund constitutes a "savings account." As time goes on this fund builds up and consequently the insurance portion of the policy becomes less. To go back to our illustration: if a straight life policy were bought when the insured was twenty years old, by the time he was sixty-five years of age of the thousand dollar face of the policy six hundred twenty-seven dollars and sixty-two cents represents the cash surrender value of the policy, that is, it is the insured's own money. Hence if the insured died the one thousand dollars paid to his beneficiary would in fact be composed of six hundred twenty-seven dollars and sixty-two cents of the insured's money and three hundred and seventy-two dollars and thirty-eight cents of the insurance company's money. Any premiums paid on the policy from this point are payments for the insurance of three hundred and seventy-two dollars and thirty two cents. Moreover the insured is losing the benefit he might have on the interest he might otherwise be earning on the cash surrender value of the policy had he exercised his option to take the cash and invest it. Might it not be a better idea to take the cash surrender value and put it to work in the savings bank, or in good common stock? The answer depends of course, on the insured's continued need for insurance and several other factors.

Under another option the insured may elect to receive the cash surrender value of the policy in the form of monthly income for a stipulated time in much the same fashion that the beneficiary of the policy may choose in the event of the insured's death. There may be several options provided; however, basically there are four.

First, the interest option. If the prevailing rate of interest is two and one-half percent the insured can leave the money with the insurance company and draw twenty-five dollars per thousand dollars of cash surrender value per year. Often the insured could take the money and place it in a savings institution with a similar, or even higher, rate of return. The insurance company and the bank, particularly if it is an insured bank, are probably equally safe. The criteria might then well be a matter of which institution pays the higher rate, and how great the temptation is to spend the money if it is readily accessible. Where some risk can be taken a higher rate of return can be earned in other forms of investment.

Second, the amount option. If the insured wishes to draw any given amount of money he may do so each month until the principal and accumulated interest have been drawn. Under this option when the interest rate is two and one-half per cent, a ten thousand dollar cash surrender value will pay one hundred dollars a month for a

period of nine years and three months. A monthly income for two hundred dollars will be paid for four years and four months. If the insured retires at the age of sixty-five he could count on an income of three thousand, one hundred and fifty-three dollars a year between this and social security (counting payments to both him and his wife) until he reached the age of seventy-four. At that time his income would revert to one thousand nine hundred and fifty-three dollars—the amount of social security. Under this option any amount of income is possible as long as the principal lasts.

Third, a time option. This option is somewhat akin to the amount option in that it provides for a monthly income. However, unlike the amount option, the insured's choice is the duration of the period during which he will receive the income. The amount of the monthly payment will be computed. The calculation is made by dividing the principal and accumulated interest by the time period chosen. If the insured wishes his monthly income to flow for a period of twenty years, the ten thousand dollar fund will return fifty-one dollars per month. Payment monthly over a ten year period would increase the amount to ninety-two dollars a month.

Fourth, the life-time income option. This option is singularly adapted to a person with no dependents. The insured, if he choses this plan of income will receive a monthly income as long as he lives. Obviously the amount will depend upon his life expectancy at the date he elects the option. A man reaching sixty-five would receive sixty-seven dollars per month for life from a policy with a cash surrender value of ten thousand. Incidentally to accumulate a cash value of ten thousand dollars at sixty-five about sixteen thousand of whole life insurance would have to be taken at the age of twenty.

It is rather simple to determine the options available from the policies themselves. Your agent, or the company, will be glad to assist.

Anyone who predicts the future engages in a hazardous occupation. And trying to formulate an investment policy looking toward financial security in retirement is made no less difficult by our ever changing economic scene and the changing value of money. Money, the economist tells us, has several functions. One of them is to serve as a medium of exchange, another as a storehouse of value, and still another as a standard of value. Unfortunately our economic policy does not always seem to permit achieving these goals. Any housewife can tell you that the purchasing power of the dollar has steadily decreased over the last ten years. Food which cost ninety-seven cents in the super-market at the end of the war now costs about one dollar and sixteen cents. And if you go back to the boom times

of 1929 that same food value cost about seventy cents. But it does not further our planning to question the wisdom of monetary policy; our problem is to devise means of protecting our principal against what appears to be a constant increase in the cost of living, whether you want to call it inflation or not.

Our assets can be invested in a fixed type of investment or a variable type. And our income can also be of the fixed type or variable type. That is, income such as the interest on bonds or from annuities which is fixed in amount and which does not change, or income which varies from time to time such as the income from dividends on stocks. By and large, investments in the fixed type are possessed of a higher degree of safety than those invested in the variable type. This term "safety" which is often used, must be explained. To be "safe" an investment should return the investor the same amount of principal as he invested and at his option. That is, when the investor wants it. Savings accounts qualify, so do Series E bonds. But not all bonds are "safe" in this respect. United States Government bonds are said to be as riskless an investment as one can find. But that does not mean, except in the case of Series E bonds, that the holder can get his investment out whole on demand. In August, 1957 the United States government bonds which matured between 1967 and 1972 were selling for eight hundred and sixty-three dollars for a bond which was originally sold by the government for one thousand dollars. A loss of one hundred and seventy-three dollars is hardly safety of principal. Of course if the investor held it to maturity there was no doubt that he would receive his original investment back. This decrease in value had nothing to do with the credit or safety of the United States Government. It is purely a question of the change in interest rates. As interest rates go up the price of bonds will go down. Conversely as interest rates go down the price of bonds will go up. All bonds will behave this way. Fixed type investments are subject to two disadvantages which offset the advantages of safety, namely that in receiving back an equal amount of dollars the purchasing power will decline if we are in an inflationary period. And, second, that a change in interest rates, which is effected deliberately by the Federal Reserve in order to control credit —will reduce the principal value of the bond unless held to maturity. Too many retired people find their income dwindling away because of this heavy reliance on what appears to be the safety of principal and certainty of income.

What can be done to protect investments from this declining purchasing power? Variable income investments, such as high grade common stock and real estate offer some solution to the problem.

And the wise investor might well take a position in which he has at least a hedge against inflation. Real estate requires a specialized skill not usually possessed by the average person. Moreover, investment in real property is usually not liquid. Equities on the other hand are liquid and respond to changes in the value of the dollar. That is, they should go up or down with the change in the value of the dollar. In the teaching profession the introduction a few years ago of C.R.E.F. was a recognition of this principle, namely that a balanced fund should prove more likely to keep pace with rising costs than the fixed fund of the T.I.A.A pension (or any other pension fund for that matter). Of course there is no certainty that equities will behave according to theory. Anyone who has watched the decline in the stock market in the last several months during a period when costs have continued to rise would have real cause to wonder if the theory is sound. It must be frankly admitted that there is not a close correlation at all times between the movement of the stock market and the movement in the cost of living index. Be that as it may, however, an astute investor will not put all his financial eggs in one basket. He diversifies.

A second advantage of equities, of more interest to those preparing for future retirement, but not to be overlooked by those about to retire, is capital appreciation. Monday morning quarterbacks are more numerous than Friday afternoon seers, but it can be pointed out that if a person put ten thousand dollars into General Motors stock when it was organized in 1908 the investor would have today well over three million dollars worth of stock, and dividends would have amounted to a similar sum in addition. Somehow it is seldom pointed out that had the investor put the same amount in any of the two hundred automobile companies at the time he would have lost everything. Coming closer to reality, however, it must be admitted that the increase in the value of common stock since the end of the second World War has been phenomenal. It has been the nearest thing to having your cake and eating it too in the investment field.

Few people are experts in the stock market, particularly among those in the teaching profession where so many demands on time preclude the attention that successful investing requires. However, probably in no other field is there so much information of a high calibre available at no cost. For those who feel more content relying on the advice of an expert as they would rely on their doctor or their attorney, there are local bankers, who if they are not conversant with the entire problem of securities themselves, have at their disposal the facilities of the investment department of their bank or their corresponding bank in an investment center. Large brokerage firms with

offices in the principal cities of the United States take pride in handling small accounts with as much care as they do large accounts. Firms like the renowned Merrill Lynch, Pierce, Fenner and Smith distribute many pamphlets to assist both the novice and the expert. Such pamphlets as "How to Invest" and "How to Read a Financial Report" are easily understood by anyone who can read. The same firm distributes quarterly a "Security and Industry Survey" which classifies stocks into broad types of *Investment type; growth; investment type, stability; liberal income; good quality, wider price movement; and speculation.*

In comparatively recent years a new type of investment has become available to those who either do not feel that they have the time nor the skill to invest wisely, or who desire to diversify their investments among the various types of securities and among the many industries, without having a great deal of money so that diversification is practical. A large number of companies have been organized which offer a combination of investment counseling and a means of diversifying risk even though a relatively small amount is invested. They are called Investment Companies. With the money derived from the sale of their stock to the public, these companies invest in a diversified list of stocks or of bonds, or both. These investments are the only asset, and the income from these investments, their only income. There are two chief types of such investment companies. One is called a closed-end company. As of September 1957 there were twenty-six of these companies having 256,717 shareholder accounts. Closed-end companies offer their stock to the public in much the same manner as General Motors or American Telephone and Telegraph. Once the stock is sold, the company sells no more until such time in the future as new issues are decided upon. If a person wants to buy some of this stock, he must procure it from someone who already owns it just as he would if he wanted to buy General Motors stock. Many of the closed investment companies such as Lehman Corporation, Adams Express and General American Investors are quoted on the New York Stock Exchange or the American Stock Exchange. Much more popular is the second type, the open-end fund, better known as the mutual fund. At present there are 136 open-end mutual funds according to the National Association of Investment Companies. These companies have close to three million shareholder accounts with total net assets of nine billion dollars. Like the closed-end funds, these companies issue stock to the public and with the proceeds purchase a diversified list of securities. They differ from the closed-end trusts, however, in several respects. These companies are not listed on a stock exchange, nor are their securities

sold in the over-the-counter market. An Investor buys directly from the company through its agents, and sells directly to the company when he wishes to dispose of the stock. Any time a person wishes to buy shares the company stands willing to sell any quantity desired. Similarly, the company stands ready to repurchase the stock at any time. The price is calculated each day—or even more frequently if necessary—by taking the value of the entire portfolio and dividing it by the number of shares outstanding at the time. This calculation gives the "net asset value" per share. To purchase stock from the company, the investor pays this price plus a sales charge amounting to between six and nine per cent of the asset value. The advantages of mutual funds are readily apparent. The chance to split the investment into stocks and bonds of many industries provides some assurance of safety and also an opportunity to share in capital appreciation as stocks in one or another industry surge ahead. Loomis-Sayles Mutual Fund, Incorporated, for example, has both stocks and bonds in its portfolio. As of July 31, 1957 its statement shows 1% of the total in cash, 16.6% in Government bonds, 6.1% in utility bonds, 12.2% in other bonds and notes, 9.2% in Preferred stocks and 54.9% in common stocks. The common stocks were those of the automotive industry, buildings, chemical, drugs, electric power and light, metals and steel, natural gas, oil, railroads, retail trade, and a miscellaneous group. Other companies specialize; for example, the Atomic Energy Fund, holds stock only in companies connected with the atomic energy development. The mutual fund investment company can offer the individual investor the benefits of professional management, not always available to the small investor. If the company's management is skillful this is a decided advantage. But the mere fact that the company has a group of "experts" however, is no warranty of success. Just as much care must be taken in selecting a fund in which to invest as must be taken when investing in any stock. A persuasive advantage of these funds tc the small investor is the opportunity they offer to invest small amounts without the overriding charge which would be greater in buying less than 100 lot shares of stock on the exchange. Some funds sell for as little as five dollars a share and there is no compulsion to buy any quantity. Quite the contrary, many funds encourage monthly participation plans in somewhat the same fashion as the "bond a month" plan of the United States Government. It is the small investor that makes up the bulk of the shareholders and has made the success of Mutual Funds possible.

On the other hand there are certain disadvantages to these funds. The "commission' or spread between the price at which the company

sells the stock and the price at which they repurchase it is apt to be six to ten per cent. This is far greater than the cost of the commission paid on stock bought on the two large national securities exchanges. In addition, the company charges a management fee which, with other charges, is likely to run six to eight per cent of the income per year. Unless these securities are held for three of four years, the cost of acquiring them may often more than offset the dividends received unless the market price of the stock rises sufficiently to offset the cost.

A new plan has been fostered by the New York Stock Exchange recently to counter the Mutual Fund. Called, Monthly Investment Plan, it was designed to enable the stockholder to buy a security on the installment plan. The subscriber merely signs a statement of his intention of spending $40 to $999 every three months on stock purchases and tells his broker what to buy. About the middle of 1957 there were few accounts reported using the MIP. It is questionable whether a person ready for retirement should participate in such a plan. For one whose retirement is still some years away, its advantages and disadvantages must be carefully studied.

From the above it is quite obvious that for one on the eve of retirement his chief interest lies in the areas of insurance and investment. Many of the problems actually are beyond his control from the time of his first purchase of insurance. Nevertheless, a major concern for the average man contemplating retirement is a realignment of his insurance and his investments. Actually, this realignment is part of the basic problem of attitude. As he must adopt a new attitude toward all phases of life, so this attitude must be represented in the way he handles his funds. It is strongly recommended that expert advice be obtained from one's broker and financial advisor. Other areas in which this attitude will have to be exercised will be in the standard of living which one adopts after retirement. He must appraise his assets, and measure these against his needs and desires. Today, far more than Cephalus ever dreamed two thousand years ago, careful attention to finance can go a long, long way in alleviating the various pressures laid on one in old age.

Harry M. Kelly is Professor of Finance in New York University's School of Commerce, Accounts and Finance.

ESSENTIAL ELEMENTS OF A GOOD RETIREMENT PLAN

Alonzo F. Myers

It became apparent to many corporations about 1950 that they were confronted with a serious problem resulting from a large number of unhappy retirements among their former employees. Many of these retirees were making virtually full-time careers of damning their former employer for their unhappy plight. The bad public relations resulting from such activity are obvious. Consequently, corporations and other employers including colleges and universities, increasingly have become aware that it was necessary for them to do something in addition to providing pensions. During the past five to ten years American corporations have made considerable progress in the development of counseling services, information service, and other means of educating employees about retirement and helping them to make realistic plans for retirement. Higher institutions generally have lagged behind industrial corporations in this matter.

In the absence of some stimulus and guidance, most people fail to make plans for their retirement. There are several reasons for this failure. The evidence is to the effect that successful, intelligent people are just as likely to fail to plan for their retirement as are ordinary people. The reasons for this failure may not make much sense, as an examination of some of the more common ones will show.

DON'T WANT TO THINK ABOUT RETIREMENT

Many people just do not want to think about retirement. The word has too many unpleasant connotations. It reminds them that they are growing older and that presently they are going to be old. Who wants to think about getting old? When you are old you are on the shelf. You might just about as well be dead, and you soon will be. Such attitudes certainly do not make sense, but they are very commonly held, and they help to account for the fact that so many people come to the point of retirement wholly unprepared for it and the problems associated with retirement.

Thinking about retirement can be unpleasant, as it appears to be to most people, or it can be pleasant, depending upon one's attitude toward it. If one thinks about it negatively, that is in terms of what he will lose and what he will be unable to do that he now is able to do, it will be unpleasant. But if he thinks about retirement positively, in terms of what he will be able to do and have time to do that he can not now do, it can be pleasant.

MAY NOT LIVE THAT LONG

Some people refuse to make plans for their retirement because they feel that they may not live to retirement age. It is quite true that a given individual may not live that long. Such an attitude, however, is not that of a prudent person. It is as foolish as refusing to have fire insurance on your house because your house may never burn down. Or it is as foolish as refusing to carry life insurance because you may not die until you are very old. Each year the likelihood increases that the individual will live until well past the normal age of retirement.

MANANA

One of the most common reasons why people fail to make plans for their retirement is just plain procrastination. They will do something about it tomorrow, but not today. One can always think of reasons for not doing things. It is especially easy not to think about something that is as remote as retirement appears to be, for example, to a person who has just turned fifty.

TOO BUSY

Some people think they are too busy to devote any time to making plans for their retirement. It must be admitted that many people are quite busy with the day-to-day demands of their work. No person, however, should permit himself to become so absorbed with the details of his job that he has no time to live a good life now and to make plans for continuing to do so.

LET TOMORROW TAKE CARE OF ITSELF

There are people who appear to live only for today. They figure that something will turn up. The man who fails to save for his old age may strike oil. Unfortunately, the likelihood of striking oil is too remote to justify relying on it.

ESSENTIAL ELEMENTS FOR A GOOD RETIREMENT

Good retirements usually are the result of careful planning. Good planning is realistic planning. It is as dangerous to make unrealistic plans as it is to refuse to think about the matter at all. It is not easy for most people to make realistic plans for their retirement. It is exceedingly difficult for an individual to be objective about himself. The problem is further complicated by the fact that one needs to be objective in thinking about his *changing* self. If I do not really know what I am like now, let us say at fifty, how can I at fifty have any adequate notion of what I shall be like at sixty-five or seventy? It is little wonder that so many people make wholly unrealistic plans for

their retirement. It is not just ignorant people who make this mistake. Intelligent, well educated people, do it, too.

I am thinking of two successful people whom I counseled within the past two years. One was an editor who had decided that upon retirement he would invest his capital in a nursing home and manage it, although he had no experience that would indicate fitness for managing such an enterprise. The other example is that of a government official who thought he would buy a motel in Florida, although he had never lived in Florida and had no relevant experience.

HEALTH

Unquestionably, the most important element for a good retirement is health. Medical science in our time has made it possible for people to live longer and with more abundant health. These advances in medical science will be of little value to the individual, however, unless he takes advantage of them.

The rich man has but little advantage over the person in moderate financial circumstances in this matter of health protection and health care. The Blue Cross for prepaid hospital care, and the Blue Shield and similar plans for prepaid medical-surgical care, have brought the advantages of adequate medical care to millions of our citizens who in the absence of such plans would be unable to afford it.

Annual health examinations are within the financial means of nearly everybody. Tuberculosis, once the great killer, is no longer to be greatly feared if detected early enough. Heart ailments are rapidly being brought under control by the medical profession, provided there is the opportunity for early diagnosis, and provided the patient cooperates with his doctor. Even cancer, fearsome though it still is, no longer need be fatal nor permanently disabling, provided there is the opportunity for early diagnosis and prompt treatment, thanks to the unremitting efforts of medical science. It is clearly the responsibility of the individual to see to it that he receives a thorough annual health examination and to make provision for pre-paid medical care. Increasingly, the retirement policies of corporations make provision for extension of pre-paid medical care into retirement, a time when it is most urgently needed. All should do this.

There remains the responsibility of the individual to exercise proper care in safeguarding and conserving his own health. Your doctor can help you to determine what you should and should not do, but nobody other than yourself is going to see that you faithfully follow the advice that has been given.

FINANCIAL PROVISION

Adequacy of retirement income perhaps ranks second only to

good health in the essentials for a good retirement. It is true, of course, that there are many examples of unhappy retirements in which adequacy of income is no problem. It also is true that the problem of providing for minimum adequacy of income is a most difficult, if not an impossible one, for millions of Americans. Nevertheless, adequacy of income is essential for good retired living, and many people fail to do what they could do to make provision for such income. Good health and adequate income constitute the essential ingredients for *Mobility*. The individual who is able to go where he wants to go and to do (within reason) the things he wants to do possesses an invaluable retirement asset.

What constitutes adequate retirement income? That, of course, is a highly individual matter. It depends on such factors as pre-retirement income and living standards, amount of need for medical services (a highly unpredictable factor), number of dependents, and whether or not one owns his home and intends to live there after retirement.

It is my belief that the aim and the effort of the individual should be to achieve a retirement income that will be adequate to maintain the pre-retirement living standard. That will not be easy to accomplish. Pension and Social Security payments almost invariably fall far short of meeting such a standard. Consequently, it would be necessary for the individual, through his own efforts, to make provision for supplementing these usual sources of retirement income.

Every person with dependents should carry a generous amount of life insurance. The earlier this insurance is taken out, the less expensive it will be. When this life insurance no longer is needed for protection of dependents, it can be converted into an annuity at age sixty-five, and thus will become a part of retirement income.

The purchase of a home should be considered an important element in the financial aspect of retirement planning. During the same period that a man is paying for his home he is also paying life insurance premiums, and he should be building up a savings account that will be adequate to meet emergency needs for cash. He also during that same period will be rearing his children and paying for their education. If, at age fifty to fifty-five, the home is paid for, the children grown up, educated and self-supporting, if an adequate minimum of life insurance has been carried for at least twenty-five years, and if savings deposits and E Bond purchases amount to at least one year's income, the individual will have made excellent progress toward achieving financial independence for his old age.

It is only after these safe and minimum essentials of a sound investment program have been provided for that most of us have

justification for broadening our investment program. This is not to say, however, that other forms of investment are not desirable, once these basic requirements have been met.

There has been a long-time trend in the direction of higher living costs. Consequently, many persons who thought they were making adequate financial plans for their retirement have been sadly disillusioned. There is no sure and safe way by which the individual can completely protect himself in this matter. Some investments, such as real estate and common stocks, tend to appreciate during periods of inflation and rising living costs and, of course, to depreciate during periods of recession and depression. Such investments are not as safe as investments in U. S. Government bonds or as savings accounts. Consequently, they should not replace the latter type of savings and investment as the backbone of the individual's program for financial security. They do, however, tend to reflect the ups and downs in the purchasing power of the dollar. Relative safety in common stock investment probably is best provided through the purchase of shares in an open-end investment trust because of the professional management and diversification that such an investment affords.

The individual would be well advised to take this trend toward rising living costs into account in estimating what his need for retirement income will be and to endeavor to make provision for it. In planning, it would be advisable to assume that our economy will continue to have a "built-in inflation" of at least two per cent a year. Periodic increases in Social Security payments pretty well reflect rising living costs. This factor alone, however, will not be adequate to offset rising living costs. There should be enough investments in equities to provide for an annual increase in retirement income of from two to three percent a year. With this aspect of retirement income cared for, the retired couple wishing to maintain pre-retirement living standards should plan for retirement income equal to at least sixty per cent of pre-retirement income—70% is better.

A PLACE TO LIVE

Here, as in all other aspects of retirement planning, individual differences play an important role. Some people are like my friend who said he did "not want to die in Pittsburgh." Some want to move to California or to Florida or Arizona; others want to spend their winters there. Some think they will want to go back to the community in which they spent their childhood. Many people want to continue to live in the community in which they lived during their active work careers. There is no one best answer to this matter of place to live. It is, however, a most important decision and one which

should be made well before the time of retirement. Like most major decisions, it is one which should be arrived at cooperatively by husband and wife.

A house that was well adapted to the needs of a family during the period when the children were growing up will be unsuited to the needs of a retired couple. Living accommodations for older people should be on one floor. There should not be too many steps to be climbed to get into the house. A stall shower generally is preferable to a tub. Everything should be done that can be done to make for safe and easy living.

If the husband and wife think they would like to live in another part of the country after retirement, they should spend some of their vacations there before retirement. They certainly should not invest in a home in a place with which they are not thoroughly familiar. It would be wise policy to rent for at least a year before buying.

Among the things to be considered in connection with the possibility of moving to another part of the country are these: availability and quality of medical and hospital services and facilities; living costs; distance from friends and loved ones; and the question of what you will do with your time.

SOMETHING TO DO

Most people need something to do in their retirement. For men, this usually turns out to be a more serious problem than for women. When the husband retires with nothing to do, not only is he usually miserable and cranky, but he becomes a terrible problem to his wife.

I have frequently observed the behavior of retired men and women in Florida hotels where neither the men nor the women had anything to do except to loaf and presumably to enjoy themselves. A few of the men fished. Some played golf or shuffle board. Most of them just sat, complaining to each other, or to anybody who would listen, about the government, taxes, and the cost of living. But their favorite theme was their physical ailments. They were frustrated and unhappy because they had nothing to do. If this kind of living did not kill them, it at least deprived them of any strong interest in living. Only a few of these men had the initiative and the imagination to get out and do something.

Among the women the pattern of living was sharply different. They organized canasta clubs and bridge clubs. They affiliated themselves with local clubs and organizations of the kind they had belonged to back home. They transferred D.A.R. memberships. They became active in church work, just as they had been back home. They entertained and were entertained at breakfasts, luncheons, and din-

ners. Most of them were busy and happy. Their only serious problem was their complaining husbands.

It is quite true that some men are such good natural loafers that they can successfully retire and do nothing. Such men usually have maintained throughout their lives active recreational interests, such as golf and fishing. Only rarely can a man who has not maintained such interests during his active work career turn to them with any satisfaction in his retirement. Even those who have done so generally soon get fed up with a steady diet of nothing but golf and fishing.

Some men think they will turn their attention to worthy causes when they retire. This generally does not turn out well unless they have given generously of their time and talents to these causes for several years prior to retirement. Among the happiest and most successful retirements that I have seen have been those in which the individual had become deeply interested in some activity or cause for several years before his retirement and had devoted increasing amounts of his time and energy to it. Ideally, before retirement, this "cause" will come to be more important to the man than is his regular work. He will look forward to retirement as a welcome opportunity to devote more of his time to it. If he has really supported this cause with his time and his talents before retirement, the cause will support him in his retirement, and this will be true regardless of whether he continues in an unpaid capacity or as a paid worker.

When the last child leaves the home the mother finds that her duties are greatly lessened. She achieves something in the nature of a semi-retirement. If she is wise she begins to broaden her interests through engaging in stimulating activities outside the home. She has time to render voluntary community service and to develop cultural and recreational interests. She may even take a full or a part-time job.

At this same time in their lives the husband usually experiences no diminution in work load. Indeed, if he is successful, his responsibilities increase and his pre-occupation with his work is likely to become greater than ever. The wife would be well advised to do everything she can to involve her husband with her in community activities and in the development of cultural and recreational interests. Otherwise, he is likely to become her most serious retirement problem.

Many retired people need to supplement retirement income. If there is to be such a need, the individual should make definite preparation and plans for doing so before he retires. Actually, the successful retirements that we observe most frequently could more

accurately be termed second careers. Second careers that are definitely related to pre-retirement careers are much less risky than an attempt to move into an entirely different field of work. Good second careers should be less demanding and should involve less expenditure of nervous and physical energy than pre-retirement careers. They should involve work that capitalizes on the individual's experience and know-how, rather than on his speed and stamina.

I was quite interested in the fact that Professor Margaret Benz's study of the people who have retired at New York University during the past ten years disclosed that 28% of them accepted teaching appointments elsewhere. Another 31% accepted employment other than teaching. Others reported that they would have been willing to accept a teaching appointment if such an appointment had been available.

It should be noted that for the most part the people who were the subjects of Professor Benz's study retired at a time when there was no serious shortage of college teachers. Such information as is available to me is to the effect that the professors who have retired at New York University within the past two or three years have been able to secure teaching appointments elsewhere if they wished to do so. I believe a majority has done so. We are now entering a period of rapidly growing shortage of college teachers. From now on, college teachers who are able and willing will be able to continue teaching until age seventy or beyond. Indeed, the present tendency, as disclosed in Mr. Sellin's report, is for universities to make age seventy the normal age for retirement. The same is true increasingly of the colleges.

The New York University Placement Service has more calls for the services of our retired professors than it is able to fill. The number of such calls is increasing rapidly. Faculty members nearing retirement should register with the placement service if they wish to continue teaching. Both full-time and part-time employment opportunities are available. Of course, the individual who insists that the job must be in or near New York may be difficult to place. I am thinking of four recently retired colleagues. Two are teaching in Illinois, one in Montana, and one in Turkey.

AT THE RIGHT TIME

The determination of the right time for the individual to retire is a complex and difficult matter but something to which most people devote little thought. That is why, for most people, the decision as to when they shall retire actually is made by the employer. The regulations of many corporations state, for example, that employees

must retire at not later than age 65. The regulations do not state that the employee may not retire at an earlier age. Usually there is an optional period of at least five years. But most people just stay on for as long as they are permitted to do so, without giving serious thought to the possible desirability and feasibility of an earlier retirement. Failure to give to this matter the consideration it deserves leads to many unhappy retirements.

Several considerations should enter into the decision as to when the individual should retire. Health certainly is one of the most important. Fortunately, it is possible to get objective and reliable advice on this matter. Too few people seek such advice, and many do not follow the advice of their doctor when it is given.

It is true generally that successful adjustment to retirement becomes more difficult as one grows older. This is particularly true of the individual who plans to take up a new career, or of the individual who will need to supplement retirement income. For the person who has a second career in mind, retirement at 60 or earlier generally is much better than at 65. If the retirement plan also includes taking up residence in a different location, a reasonably early retirement is desirable.

It is a matter of common observation that the longer one postpones retirement the more difficult it is to retire. Many people who at fifty claimed they had no intention of working beyond sixty, have wound up bitterly criticizing the employer for insisting that they retire at sixty-five or seventy. The longer they stay on the job the more they become wedded to it, until for many the thought of separation from the job becomes almost unbearable. As people become older they usually become more conservative, less inclined to take risks and to embark on new ventures. So the retirement date gets put off, even though in many instances an earlier retirement followed by a change of work and activity would have been in the best interest of the individual.

A GRADUAL TRANSITION

Retirement should not come as a sudden shock. To go suddenly from full-time and complete pre-occupation with a job into retirement is a great shock to many people who experience it. There should be a gradual transition from full-time job responsibilities to retirement. This is more easily accomplished in some occupations than in others. Most people, however, have some opportunity to do something about this matter. Employers generally may be counted upon to cooperate with those who wish to do this. Some employers now take the initiative in insisting that there be a tapering-off experience for

a period of time before retirement. Perhaps the commonest and simplest way of providing for a gradual transition into retirement is through progressively lengthened vacations during the five years immediately preceding retirement.

New York University recently approved an optional plan by which professors, who normally are expected to retire at 65, may go on half time at 63 and continue on half time until age 67. Half time can be either a one-half work load throughout the academic year or a full-time work load one semester and completely off duty the other. I am convinced that some such plan or modification of it would be feasible in many non-academic institutions.

MOBILITY

I believe this word *Mobility* expresses a large part of what most of us would like to achieve when we retire. We would like to be able to go where we want to go, when we want to go, and to be able to do (within reasonable limits) what we want to do. Unfortunately, most of us are not going to be any more mobile after retirement than we were before. There are four obstacles to mobility, each of which can quite effectively immobilize us. These are:

1. *Psychological Immobility*

People who have never gone any place during their active work careers are not likely to begin going places when they retire. We make excuses for not going places and not doing new things, usually on the grounds that there is not enough time, but promise ourselves we will do these when we retire. By the time of retirement we will have become so habituated to just staying home that we will continue to stay home.

2. *Physical Immobility*

This is the hazard over which we have the least control. If you are physically unable to travel, or even to leave your home, you will be immobilized, regardless of all other considerations.

3. *Financial Immobility*

Travel costs money. Unless adequate financial provision is made to permit moving about, to go around the world or to spend the winters in a warm climate or to go to the theatre and opera, you are not going to be able to do those things.

4. *Immobilized by Possessions*

Some people are immobilized by their possessions. These may be animals who can not be left behind and can not be taken along. Some

people are immobilized by their houses. They fear to go to Florida in the winter lest the pipes be improperly drained and may freeze and burst. Or they fear that burglars may enter and carry off the family heirlooms. I even know of one nice old lady who would never go away for fear she would miss receiving her Social Security check.

The only way to make reasonably sure of mobility when we retire is to practice being mobile for years before the retirement date.

A MATURE OUTLOOK ON LIFE

There is growing evidence that the individual, quite unwittingly, determines in large part the kind of retirement that he will have by the way he has lived during all of the years prior to retirement. One of the best ways to prepare for a happy retirement is to develop and to maintain a variety of active interests that are entirely independent of the job. The individual who does that will never be bored nor wanting for something to do. Furthermore, he will be having a good time. It is good to love your work and to be a loyal and fully contributing member of the organization for which you work. But it is not good to permit yourself to become so completely job-centered that you have no active interests outside your work.

Make an effort to get along well with people. Try to keep the friends that you have and to cultivate new friendships. The surest way to cause people to like you is for you to like people. Do not drop out of social, civic, and recreational activity on the excuse that you are getting old. Contentiousness, fault-finding, self-pity, and blaming others for one's own mistakes are among the bad habits that are fairly easily broken at forty but which if allowed to persist until the time of retirement will have become so much a part of the behavior pattern of the individual that it will be almost impossible to get rid of them. Such habits result in bitterness and frustration for the individual and cause people to go the other way when they see him coming.

To me, it all adds up to saying that the cultivation of a reasonably happy and mature outlook on life is the best recipe for a happy retirement. If you live long enough, eventually you will be old. Just do not let it catch you unprepared. Try to be prepared for the predictable contingencies and to make the best possible adjustment to the unpredictable ones. Getting old isn't so bad, if you take into account the alternative.

Dr. Alonzo F. Myers is Chairman, Department of Higher Education in New York University's School of Education, and Director of the University's Retirement Counseling Center